



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 3, 2006

Bart Merrill, Vice President
Zions Bank
25 East Main St.
Post Office Box 309
Enterprise, Utah 84725

Subject: Authorization for Release of Certificate of Deposit (CD) and Termination of CD Letter Agreement, Kerry Holt Hay Cubes, Inc., Quartz Hill Project, S/021/036, Iron County, Utah

Dear Mr. Merrill,

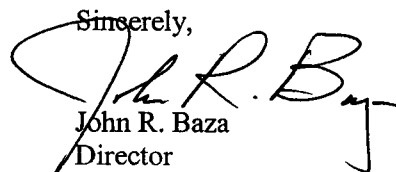
Zions Bank is presently holding a Certificate of Deposit, account number _____, for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Kerry Holt Hay Cubes, Inc. for their Quartz Hill Project.

The Operator, Kerry Holt Hay Cubes, Inc., have performed their obligations under the terms of the agreement therefore:

- The Division authorizes Zions Bank to release the full deposit amount of \$17,000.00 along with any accrued interest to the Owners, or their legal successors-in-interest;
- The unconditional control of the CD shall be returned to the Owner;
- The terms and conditions associated with the CD Letter Agreement are no longer in effect;
- The enclosed copy of the CD letter agreement is now terminated.

If you have any questions or require further discussion regarding the content of this letter, please contact Mining Coordinator, Susan White at (801) 538-5258.

Sincerely,


John R. Baza
Director

JRB:BE:be

enc: cd letter agreement copy

cc: Kerry Holt, Kerry Holt Hay Cubes, Inc (w/enc original)
Doug Jensen, OGM
Beth Ericksen, OGM